

For Immediate Release

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May 4, 2009

NATIONAL SECURITY AND FOREIGN AFFAIRS SUBCOMMITTEE

Commission on War Time Contracting Hearing on LOGCAP

Chairman to offer opening remarks

Washington, D.C. – Today, Congressman John F. Tierney (D-MA), Chairman of the Subcommittee on National Security and Foreign Affairs, testified before the Commission on Wartime Contracting. As an original sponsor of the Commission's authorizing legislation, Chairman Tierney has long been committed to vigorous oversight of federal contracting. In his statement today, Chairman Tierney reaffirmed that commitment and underscored the Commission's critical role as a supplement to congressional oversight efforts.

As the use of federal contractors has grown in both Iraq and Afghanistan, so too has the need for proper oversight. From the year 2000 through 2008, contracting expenditures by the Department of Defense alone doubled from roughly \$200 billion to nearly \$400 billion. Vigorous oversight over all contracts is essential for preventing waste, fraud and abuse and for ensuring the proper use of American tax dollars.

A copy of Chairman Tierney's testimony as prepared for delivery is below:

Statement of John F. Tierney
Chairman
Subcommittee on National Security and Foreign Affairs
Committee on Oversight and Government Reform
U.S. House of Representatives
Commission on Wartime Contracting Hearing on LOGCAP

As Prepared for Delivery

May 4, 2009

Thank you, Chairman Thibault and Members of the Commission. I appreciate the opportunity to appear before you today as I believe the work of this bi-partisan commission is a critical counterpart to the oversight role that Congress plays on contracting issues. On a personal note, I will say that I am pleased to hear about the appointment of Chris Shays to the Commission. Certainly, Mr. Shays and I worked closely on the National Security and Foreign Affairs subcommittee and he had a distinguished career in the House. While his critical eye will no longer be there for us, his appointment is certainly a gain for all of you on the Commission.

It is important that we acknowledge the origins of this effort, as they are instructive to the importance for overcoming partisan concerns about the conduct of oversight. Back in 2005, my Legislative Director, Kevin McDermott, and I were discussing the unfortunate condition of a lack of sustained oversight concerning the enormous sums of money being spent or misspent, and the growing number of American military and civilian lives being placed at risk in Iraq. There is seemingly always a reluctance in the executive branch across administrations to be subject to oversight – perceiving it to be criticism that could be politically damaging. When congressional majorities are of the same party as the White House, that concern is too often contagious. For years, then, there was too little oversight on what was one of the largest ventures in our nation's history.

We were struck by the fact that then-Democratic Senator Harry Truman had – over initial reluctance from the Democratic President Roosevelt's Administration – managed to establish and lead a bi-partisan committee to oversee World War II spending. Democrats and Republicans on his panel conducted 432 hearings between 1941 and 1948 and, while maintaining a stellar reputation for accuracy and fairness, were credited with saving thousands of lives and an estimated \$15 billion in taxpayer dollars. The panel's work eventually was

embraced by the Administration and Congress.

So in that year, 2005, with the brave co-sponsorship of Republican Jim Leach (IA), we filed legislation to establish a select commission to conduct oversight of U.S. activities in Iraq and Afghanistan. That legislation garnered 39 co-sponsors, but despite numerous efforts to move it as a free standing bill and even as an amendment to appropriation and authorization measures, we came up a handful of votes shy.

In 2007, when Representative Tom Allen (ME) and I prepared to re-file the legislation once again, we gladly received the request of newly-elected Senator Jim Webb (VA) to collaborate. Senators Webb and Claire McCaskill (MO) led the Senate's effort, and their impressive legislative ability led the inclusion of the authorization for this commission and its acceptance into law.

The need for a neutral, credible and comprehensive Wartime Contracting Commission was clear. It continues to be informally referred to by the moniker Kevin and I originally fashioned – the Truman Committee – and that is fitting. It is highly anticipated that your work will closely resemble his panel's in objectivity, fairness, and thoroughness. With that history in mind, we can see current day urgency for such a review.

As the measure was coming into being, then-House Oversight and Government Reform Committee Chairman Waxman and the committee members were beginning to rigorously pursue a number of alleged abuses related to contracting in the Iraq and Afghanistan theaters. We learned of American soldiers being electrocuted from shoddy work, overcharging for services and commodities from laundry to oil, and gross failures to monitor distribution of enormous sums of cash – and much more. As we now are on a trajectory of redeploying from Iraq, and now also and regrettably for some, intensifying our use of resources in Afghanistan, it is essential that we use every asset at our disposal to protect our personnel and the taxpayers' money.

This morning's hearing is focused on issues related to the LOGCAP contract in Iraq and Afghanistan. However, the Commission's task goes far beyond that to the broader concerns of waste, fraud and abuse in wartime contracting. Federal contracting has grown at a very rapid pace since we declared the so-called "war on terror." In fact, from the year 2000 through 2008, contracting expenditures by the Department of Defense alone doubled from roughly \$200 billion to nearly \$400 billion. Inexplicably, the number of contracting fraud and corruption

investigations referred by DOD to the Department of Justice dropped precipitously during that same period. This is a troubling trend – more spending coupled with less oversight is a recipe for disaster.

We need to ensure appropriate oversight is being conducted of all contracts. More importantly, in wartime when contracts are awarded in rapid fashion, urgency should not supplant honesty and fairness. It is critical that we, as a government, ensure that we have the right people doing the right jobs – and more importantly, that the American taxpayers are getting the appropriate return on their investment. In short, I would hope that the Commission will find opportunities to right-size our contractor workforce so that we may learn from these experiences. We need a sensible blueprint to turn to in the future.

We all have great expectations for what this Commission needs to achieve, and the manner in which it must conduct itself. The task is so enormous, that we must expect a tremendous sacrifice of your time and energies. The Special Inspector General for Iraq Reconstruction (SIGIR) and the Government Accountability Office (GAO) are also working on the matters, and the House Oversight and Government Reform Committee will be periodically assessing progress on all fronts. We must make sure that lessons learned are lessons followed.

Commissioner Thibault, you, your fellow Commissioners and your staff are tasked with a big challenge. Sadly, the environment is ripe for findings. We look forward to the Commission's release of its interim report, and eventually its full report.

In the spirit of the Truman Committee, you are charged with ensuring the lives of our military and civilian personnel in combat are being protected to the fullest extent, and that taxpayer monies are being spent as wisely and appropriately as possible under difficult circumstances. This venture is not about blame, but about oversight so as to do the best possible job for America.

All of the panel's members are known for their public service prior to undertaking this role. In the spirit of the Edward M. Kennedy Serve America Act just recently signed into law by President Obama, your continued service stands as a tremendous example of how citizens can serve their country throughout their lives.

While the next time we are together in this room, it is you who will be in this seat, and I in yours, rest assured that we will be listening to your reports with every bit of respect and expectation that your work will live up to that of Harry S. Truman and his colleagues.

Thank you for this opportunity to address your inaugural hearing in the U.S. House of Representatives, and for your service.